

CENTRAL INTELLIGENCE AGENCY

REPORT

INFORMATION REPORT

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50X1-HUM

COUNTRY Germany (Russian Zone)

CONFIDENTIAL

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SUBJECT The Iron and Steel Industry

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steel production facili-

ties and output and supply of steel in the Russian Zone.

1. New Construction

- a. A new pipe rolling mill has been placed in operation at Riesa. The plant, which was dismantled by the Russians in Austria, has been rapidly rebuilt. It consists of one push heating furnace, one press, two roll housings, three draw benches, and four reheating furnaces. Seamless boiler pipes of a diameter of from 25 to 130 mm will be produced. The monthly capacity is expected to be 700 tons.
- b. The installation is housed in a new building which lies parallel to the railway station at Riesa. The building is approximately 180 by 50 m.
- c. A butt welding plant is being erected to produce gas pipes. It is hoped that a monthly output of 400-500 tons of gas pipe will be reached.
- d. A Mannesmann-type rolling mill is being built at Riesa. This mill has been dismantled by the Admos factory of Berlin. The rolling mill will be used for the manufacture of blooms.
- e. Work on the rolling mills, which are to produce iron bars, is at a standstill as the technical equipment has not yet been delivered.

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2. Production

The 100-ton Siemens-Martin furnaces are producing 12,000 - 13,000 tons of ingots a month of which 2,000 tons are being stocked because the other mills in the Eastern Zone are unable to absorb completely the production from Riesa. The stocks will be used by the rolling mill, which is still to be erected. The price of the ingots is DM 110 per ton. Preparations are proceeding for the construction of a 5-ton electric furnace for electric steel casting.

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3. Raw Materials

- a. Each month the Riesa steel works receive from the USSR approximately 1,200 tons of pig iron which contains manganese. Irregular deliveries of 5 or 6 railway cars at a time are also received from Poland and Hungary. These shipments are used for the production of ingots, 90% of which are derived from scrap and 10% of which are derived from pig iron. The imports are handled by the Stahl- und Eisenhandelsgesellschaft in Leipzig, Wittenbergstrasse. The Riesa plant pays DM 80 per ton, plus DM 16.80 freight charges. The pig iron comes by rail from the interior of Russia to Brest-Litovsk where it is transferred to European gauge freight cars.
- b. The Hennigsdorf steel plant delivers rolled iron to Riesa which is used in the reconstruction of the works. This rolled iron is unsatisfactory because the Hennigsdorf factory does not possess the necessary shears to smooth the edges of the rolled iron. In addition to this, because of the lack of turning machines in the plant at Hennigsdorf, the iron can be used only for repair work, because, when delivered, it is not smooth.

4. The Steelworks at Kirchmöser, near Brandenburg

- a. The Stahlwerk Kirchmöser near Brandenburg, which had been completely dismantled by the Russians, is being rebuilt on the site of the engine shed of the former railway repair shop at Kirchmöser. The shed, which measures 250 x 300 m., is being equipped with 60-ton cranes and Siemens-Martin gas-heated furnaces, which are being brought from Salzgitter. Tractors will also be made at the steel-works.
- b. One hundred and twenty railroad cars with machinery [] had arrived by 10 March, 1949, for the equipment of the rolling-mill. One thousand men are employed on the building of mountings for the machinery.
- c. The port-installations and loading cranes (Umachlagkräne) are already working.

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